

INTERNATIONAL OIL DAILY

Kazakhs, South Korea Team Up

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Kazakhstan and South Korea signed \$5 billion worth of long-term energy and technology agreements on Wednesday in an effort by Korea to increase its presence in the oil- and gas-rich Central Asian country.

The agreements, signed during Korean President Lee Myung-bak's visit to the former Soviet republic, include deals in power, technology and other sectors, a Kazakh official said.

"We estimate the agreements are worth more than \$5 billion," Kairat Kelimbetov, head of the Kazakh Samruk-Kazyna holding, said during the visit. "That is not an immediate investment, but will be actively invested in Kazakhstan over the next three to five years."

The agreements include participation by a Korean consortium in a \$2.5 billion power plant in Kazakhstan. Kelimbetov said the project's overall cost is about \$4.5 billion.

Under the deal, state Korea Electric Power Corp. and construction company Samsung C&T will hold a 65% stake in the Balkhash power project. Samruk will own 25% and London-listed copper company Kazakhmys will have 10%. The plant, to be built in southwestern Kazakhstan, is scheduled for completion by 2014 and will have a power generation capacity of between 1,200 and 1,500 MW.

Kelimbetov said Samruk will also set up a joint venture with another Korean consortium to invest about \$1 billion in Kazakhstan's power and coal mining sectors, but gave no further details.

The Kazakh deals come in the wake of the signing of memorandums of understanding (MOUs) between South Korea and Uzbekistan earlier this week ([IOD May13,p5](#)). The MOUs will give Korean state firms rights to more oil and gas blocks in Uzbekistan.

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